



A U D I T O R - G E N E R A L

The Municipal Manager
Umjindi Municipality
PO Box 33
BARBERTON
1300

28 November 2008

Reference: 02054REG07/08
Enquiries: Ms Cousins
Ad/

**REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION OF UMJINDI LOCAL MUNICIPALITY FOR THE YEAR
ENDED 30 JUNE 2008**

The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act, 2004 (Act No. 25 of 2004) read in conjunction with section 188 of the Constitution of the Republic of South Africa, 1996 and section 121(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

In terms of sections 121(3) and 127(2) of the MFMA municipalities have to include the audit report in the municipality's annual report for tabling within seven months after the end of the financial year.

Until tabled as required by section 127(2) the report is **not a public document** and should therefore be treated as **confidential**.

As your municipality will be responsible for publishing the attached audit report as part of the annual report, you are required to do the following:

- Submit the final printer's proof of the annual report (which includes the audit report) to the relevant audit manager of the Auditor-General for verification of the audit-related references before it is printed or copied. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
- The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

Please notify the undersigned Business Executive well in advance of the date on which the audit report, or the annual report containing this audit report, will be tabled at the municipality. Your cooperation to ensure that all these requirements are met would be much appreciated.



AUDITOR - GENERAL

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed



Business Executive: Mpumalanga

**REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL
LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION OF THE UMJINDI LOCAL MUNICIPALITY FOR
THE YEAR ENDED 30 JUNE 2008**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Umjindi Local Municipality (municipality) which comprise the balance sheet as at 30 June 2008, income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the chief financial officer's report, as set out on pages XX to XX.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity-specific basis of accounting, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
- appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The municipality's policy is to prepare financial statements on the Standards of Generally Recognised Accounting Practices (GRAP) and Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of *General Notices 991 and 992 of 2005*, as set out in accounting policy note 1.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Umjindi Local Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of *General Notices 991 and 992 of 2005*, as set out in accounting policy note 1 and in the manner required by the MFMA and DoRA.

OTHER MATTER

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements.

Matters of governance

10. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.	X	
• The audit committee operates in accordance with approved, written terms of reference.	X	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	X	
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.	X	
• The internal audit function operates in terms of an approved internal audit plan.	X	
• The internal audit function substantially fulfilled its responsibilities for the	X	

Matter of governance	Yes	No
year, as set out in section 165(2) of the MFMA.		
Other matters of governance		
<ul style="list-style-type: none"> The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA. 	X	
<ul style="list-style-type: none"> The annual report was submitted to the auditor for consideration prior to the date of the auditor's report. 		X
<ul style="list-style-type: none"> The financial statements submitted for audit were not subject to any material amendments resulting from the audit. 	X	
<ul style="list-style-type: none"> No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management. 	X	
<ul style="list-style-type: none"> The prior year's external audit recommendations have been substantially implemented. 	X	
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
<ul style="list-style-type: none"> The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007. 	X	
<ul style="list-style-type: none"> The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP. 	X	
<ul style="list-style-type: none"> The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008. 	X	

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

11. I have reviewed the performance information as set out on pages xx to xx.

Responsibility of the accounting officer for the performance information

12. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

14. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

15. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

Annual performance report

16. The municipality did not submit the annual performance report of the municipality prepared by the municipality in terms of section 46 of the MSA, as required by section 121(3)(c) of the MFMA for audit purposes.

APPRECIATION

17. The assistance rendered by the staff of the municipality during the audit is sincerely appreciated.

Auditor-General

Nelspruit

28 November 2008



A U D I T O R - G E N E R A L

UMJINDI LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

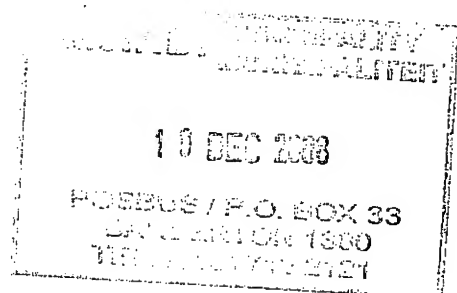


I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 34, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 20 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

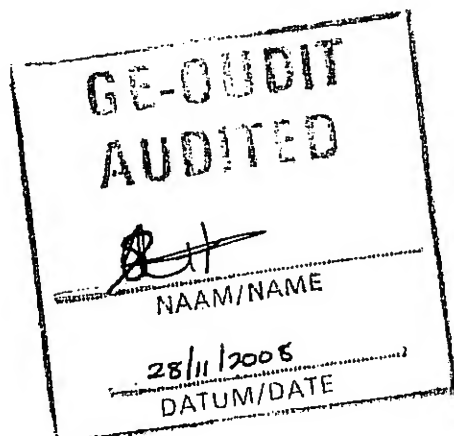

Ms S.F. Mnisi
Municipal Manager

28/08/08
Date



UMJINDI LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		110,921,594	112,802,603
Government Grant Reserve	34	-	-
Self-insurance reserve	34	2,441,996	2,500,975
Accumulated Surplus		108,479,597	110,301,628
Non-current liabilities			
Interest bearing borrowings	2	7,585,132	8,328,162
Current liabilities		33,690,555	37,752,894
Consumer deposits	3	1,843,956	1,697,291
Provisions	4	275,123	214,855
Creditors	5	9,549,366	17,240,449
VAT	5.1	5,467,282	2,425,365
Unspent conditional grants and receipts	6	14,291,780	6,509,099
Bank overdraft	14	1,722,676	6,890,461
Current portion of long-term liabilities	2	540,372	2,775,372
Total Net Assets and Liabilities		152,197,281	158,883,659
ASSETS			
Non-current assets		137,292,773	135,615,991
Property, plant and equipment	7	136,982,320	133,145,942
Investments	8	881,612	2,067,584
Long-term receivables	9	28,841	302,466
Current assets		14,904,507	23,367,667
Inventory	10	2,194,959	2,093,012
Consumer debtors	11	8,827,707	13,027,599
Other debtors	12	237	42,134
Current portion of long-term debtors	9	75,001	-
Call investment deposits	13	3,793,033	8,191,651
Bank balances and cash	14	13,570	13,270
Total Assets		152,197,281	158,883,659



**UMJINDI LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED ON 30 JUNE 2008**

	Note	2008 R	2007 R
REVENUE			
Property rates	15	10,827,760	10,151,754
Service charges	16	51,211,848	47,857,509
Rental of facilities and equipment		295,547	437,051
Interest earned - external investments		1,454,278	1,309,453
Interest earned - outstanding debtors		1,142,864	934,416
Fines		215,479	240,294
Licences and permits		2,623,557	1,039,931
Government grants and subsidies	17	34,607,022	27,479,988
Income from agency services (Health subsidies)			615,000
Other income	18	3,752,355	5,244,381
Total Revenue		106,130,720	95,309,777
EXPENDITURE			
Employee related costs	19	39,185,767	33,531,645
Remuneration of Councillors	20	3,316,858	3,050,604
Bad debts		7,101,321	1,999,892
Depreciation		10,824,080	10,637,288
Repairs and maintenance		6,812,139	6,889,700
Interest paid	21	1,219,849	1,443,342
Loss on disposal of property, plant and equipment		38,547	91,827
Bulk purchases	22	13,088,637	14,313,658
General expenses	23	27,442,891	19,746,005
Total Expenditure		109,010,089	91,714,061
SURPLUS/(DEFICIT) FOR THE YEAR		(2,879,369)	3,595,716

Refer to Appendix E(1) for the comparison with the approved budget



UIMJINDI LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Pre - GAMAP Reserves and Funds	Self Insurance Reserve	Government Grant Reserve	Housing Reserve Fund	Accumulated Surplus	Total
	R	R	R	R	R	R
2007						
Balance at 1 July 2006	-	2 286 125	-	-	112 969 769	115 255 894
Fair value adjustment of fixed assets	-	-	-	-	-	-
Implementation of GAMAP (note 24)	-	-	-	-	-	-
Restated balance	-	2 286 125	-	-	112 969 769	115 255 894
Net surplus for the year	-	-	-	-	3 595 716	3 595 716
Adjustment	-	-	-	-	1 901 050	1 901 050
Transfers to reserves	-	214 850	-	-	(214 850)	-
Transfers to reserves	-	-	13 279 163	-	(13 279 163)	-
Balance at 30 June 2007	-	2 500 975	13 279 163	-	104 972 622	120 752 660
2008						
Correction of error (Note 33)	-	-	-	-	(7 950 057)	(7 950 057)
Reserves Correction: Government Grant	-	-	(13 279 163)	-	13 279 163	-
Restated balance	-	2 500 975	-	-	110 301 628	112 802 603
Net surplus for the year	-	-	-	-	(2 879 369)	(2 879 369)
Transfer: Government Grant: Reserves	-	-	-	-	-	-
Offsetting of Depreciation	-	-	-	-	-	-
Transfer to reserves	-	(58 979)	-	-	58 979	-
Adjustments (Note 33)	-	-	-	-	999 366	999 366
Capital grants used to purchase PPE	-	-	-	-	-	-
Donated contributed PPE	-	-	-	-	-	-
Balance at 30 June 2008	-	2 441 996	-	-	108 479 597	110 921 594

CREATED
ADDED
 NAME/NAME
 28/11/2008
 DATE/DATE

UMJINDI LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		108,876,509	91,603,558
Cash paid to suppliers and employees		93,938,561	82,534,097
Cash generated from/(utilised in) operations	24	14,937,948	9,066,461
Interest received		2,597,142	2,243,870
Interest paid		(1,219,849)	(1,443,342)
NET CASH FROM OPERATING ACTIVITIES		16,315,241	9,866,988
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(14,089,005)	(17,729,952)
Decrease in non-current receivables balance		198,624	114,422
Decrease in investments		5,584,591	(5,560,841)
NET CASH FROM INVESTING ACTIVITIES		(8,315,791)	(23,176,371)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(2,978,030)	1,555,959
Increase in consumer deposits		146,664	81,253
NET CASH FROM FINANCING ACTIVITIES		(2,831,366)	1,637,212
NET DECREASE IN CASH AND CASH EQUIVALENTS		5,168,085	(11,672,171)
Cash and cash equivalents at the beginning of the year		(6,877,191)	4,794,981
Cash and cash equivalents at the end of the year	25	(1,709,106)	(6,877,191)

GE-00017
AUDITED

 NAAM/NAME

28/11/2008
 DATUM/DATE

UMJINDI LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

These standards are summarised as follows: -

GRAP 01	Presentation of financial statements
GRAP 02	Cash flow statements
GRAP 03	estimates and errors
GAMAP 04	The effects of changes in foreign exchange rates
GAMAP 06	for controlled entities
GAMAP 07	Accounting for Investments in associates
GAMAP 08	Financial reporting of interests in joint ventures
GAMAP 09	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, plant and equipment
GAMAP 19	assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or part of these standards. Details of the exemption applicable to the municipality have been provided in the notes to the annual financial statements.

Consistency in the presentation of the annual financial statements is ensured where the municipality received a qualification in the 2005/06 financial year for not complying with a standard or aspect within a standard and the standard or aspect within the standard has now been exempt by amending the 2005/06 accounting policy to reflect the fact that it did not comply with the standard or aspect within the standard.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

1.2 PRESENTATION CURRENCY

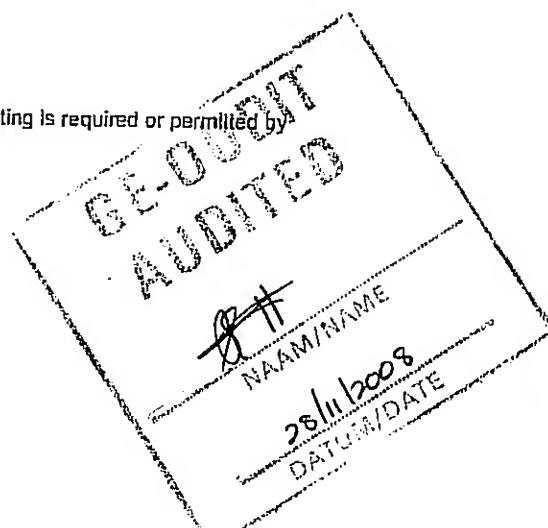
These annual financial statements are presented in South African Rand.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis

1.4 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP, GRAP or GAAP.



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1.5 RESERVES

1.5.1 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.5.2 Self-Insurance Reserve

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally or claims less than the excess amount as determined in the insurance policy. The balance of the Self-Insurance Reserve is invested in short-term cash investments.

Claims are settled by transferring a corresponding amount from the Self-Insurance Reserve to the accumulated surplus.

The Government Grant Reserve was written back to Accumulated Surplus as there is no GRAP standards supporting the existence of this reserve.

1.6 PROPERTY, PLANT AND EQUIPMENT

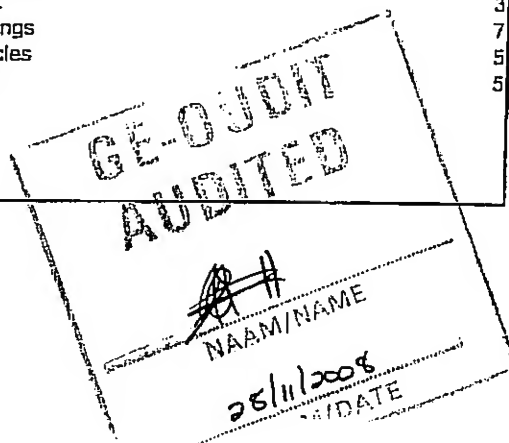
Property, plant and equipment, is stated at cost, less accumulated depreciation, except land and buildings, which are revalued as indicated below. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on the asset's depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciable amount is determined after deducting the residual value of the assets from its cost. The depreciation charge is recognised as an expense unless it is included in the carrying amount of another asset under construction. The annual depreciation rates are based on the following estimated asset lives:-

<u>Infrastructure</u>	<u>Years</u>	<u>Other</u>	<u>Years</u>
Roads and Paving	10 - 15	Buildings	30
Electricity	20 - 30	Vehicles (max 120 000km)	5
Water	15 - 20	Office equipment	3
Sewerage	15 - 20	Furniture and fittings	7
		Specialised vehicles	5
		Other equipment	5
<u>Community</u>	<u>Years</u>		
Buildings	30		
Recreational Facilities	20		
Parks and gardens	20		
Security	3		



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1.6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

Accounting Policy for the 2005/06 financial year

The carrying values of items of property, plant and equipment have not been adjusted with impairment losses as no impairment testing was done. The useful lives and residual values of assets classified as property, plant and equipment were not reviewed at financial year end.

No property was classified and disclosed as investment property. Land and buildings were recognised as items of property, plant and equipment.

Accounting Policy for the 2006/07 financial year

In terms of the exemptions granted by the Minister of Finance no review of useful life of items of PPE or the depreciation method applied to PPE was done as is required by GAMAP 17. No impairment testing was done for non-cash generating assets as well as cash generating assets due to the application of an exemption of IAS 36/AC 128 granted in Gazette 30013.

The municipality is exempt from IAS 40 (AC 135) as it has not recognised any property as investment property but as property, plant and equipment in terms of GAMAP 17. It only recognises its investment property where it is certain that it meets the definition of investment property.

1.7 INVESTMENTS

Financial Instruments

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Accounting Policy for the 2005/06 financial year

No impairment testing of assets is done to determine impairment losses that should be recognised as an expense in the period that the impairment is identified.

Accounting Policy for the 2006/07 financial year

The municipality did not test for impairment of assets as it is exempted from IAS 36 (AC128) entirely.

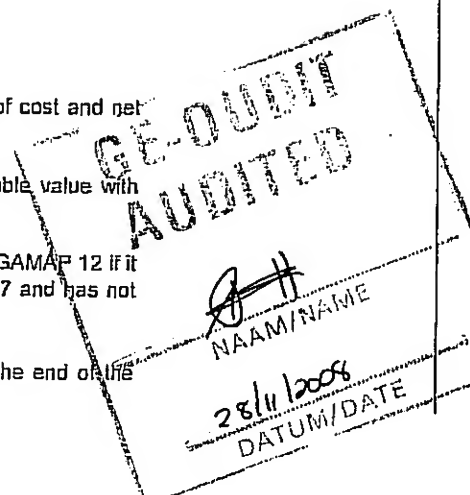
1.8 INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

The municipality is exempt from recognising an immovable capital assets as inventory in terms of GAMAP 12 if it has recognised immovable capital assets as property, plant and equipment in terms of GAMAP 17 and has not satisfied itself that the item is in actual fact inventory.

The municipality is exempt from recognising and disclosing self-purified water stock on hand at the end of the financial year as inventory in terms of GAMAP 12.



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1.9 ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

1.10 LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

Accounting Policy for the 2005/06 financial year

Operating lease payments are recognised on the basis of the cash flows in the lease agreement.

Accounting Policy for the 2006/07 financial year

The municipality is exempt from recognising operating lease payments on a straight line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17).

1.11 TRADE CREDITORS

Trade creditors are stated at cost.

1.12 REVENUE RECOGNITION

1.12.1 Revenue from Exchange Transactions

Rendering of services (for example licence fees, permits, electricity, sewerage and water connections)

Revenue arising from the rendering of services and the application of the approved tariff of charges is recognised by reference to the percentage of completion as at the reporting date. Where the percentage of completion cannot be measured reliably, revenue from the rendering of services and the application of the approved tariff of charges is recognised to the extent of expenses are recoverable.

Revenue from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

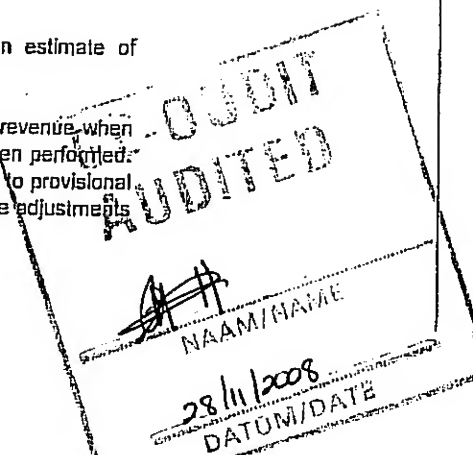
Sale of goods

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Service charges

Service charges relating to electricity and water are based on consumption metered and an estimate of consumption between the latest meter reading date and the reporting date.

In respect of consumption metered, meters are read on a monthly basis and are recognised as revenue when billed. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Operating lease revenue is recognised on a straight-line basis over the lease term.

Interest, royalties and dividends

Interest is recognised on a time proportion basis.

Other grants and donations

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the Municipality has not met the condition, a liability is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

1.12 REVENUE RECOGNITION (CONTINUED)

1.12.2 Revenue from non-exchange transactions

Rates (including collection charges and penalty interest)

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Other

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Accounting Policy for the 2005/06 financial year

No initial measurement of fair value by discounting all future receipts using an imputed rate of interest is done. Revenue from the sale of goods and services are recognised at its face value/cost.

Accounting Policy for the 2006/07 financial year

The municipality is exempted from paragraph 12 of GAMAP 9 in initial measurement of fair value of revenue by discounting all future receipts using an imputed rate of interest. The initial recognition at fair value in accordance with GAMAP 9 and IAS 29/AC 133 is exempted. The municipality recognised revenue from the sale of goods and services at its face value. Any payables from the purchase of goods and services are also recognised at face

GE-O JDT
AUDITED

NAAM/NAME

28/11/2008

DATUM/DATE

UMJINDI LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1.13 BORROWING COSTS (EXPENSED)

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

1.14 PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at the reporting date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

1.15 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.16 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors.

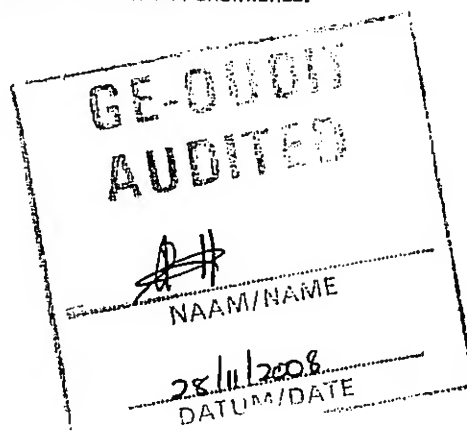
Contributions to defined contribution retirement benefit plans are recognised as an expense when employees and councillors have rendered the employment service or served office entitling them to the contributions.

1.17 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.18 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1.19 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.20 FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

1.21 COMPARATIVE INFORMATION

1.21.1 *Current year comparatives:*

Budgeted amounts have been included in the annual financial statements for the current financial year only.

1.21.2 *Prior year comparatives:*

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

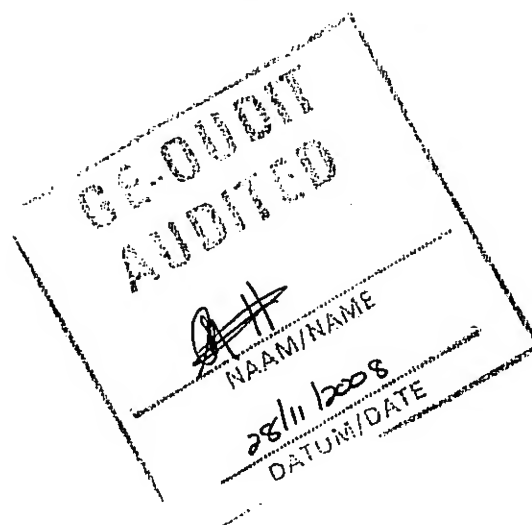


UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
2. INTEREST BEARING BORROWINGS		
Local Registered Stock Loans	65 000	2 407 000
Annuity Loans	<u>7 707 622</u>	<u>8 182 995</u>
	7 772 622	10 589 995
Less : Current portion transferred to current liabilities	(540 372)	(2 775 372)
Local Registered Stock Loans	<u>(65 000)</u>	<u>(2 300 000)</u>
Annuity Loans	<u>(475 372)</u>	<u>(475 372)</u>
	352 882	513 540
Capitalised Lease Assets		
Note 2007: Correction of Finance Leases previously recorded as operating leases, to the amount of R191 373. Refer Note 33		
Total External Loans	<u>7 585 132</u>	<u>8 328 162</u>
Refer to Appendix A for more detail on long-term liabilities.		
3. CONSUMER DEPOSITS		
Electricity and Water	<u>1 843 956</u>	<u>1 697 291</u>
Total Consumer Deposits	<u>1 843 956</u>	<u>1 697 291</u>
No interest is being paid to consumers deposits held by council.		
Guarantees held in lieu of Electricity and Water Deposits	<u>480 480</u>	<u>482 950</u>
4. PROVISIONS		
Performance bonus	<u>275 123</u>	<u>214 855</u>
Performance bonuses are paid one year in arrears as the assessment of eligible employees has not taken place at the reporting date and no present obligations exist		
The movement is reconciled as follows.		
Balance at beginning of year	214 855	-
Contributions to provision	275 123	214 855
Expenditure incurred	<u>(214 855)</u>	<u>-</u>
Balance at year end	<u>275 123</u>	<u>214 855</u>

Note 2007: A correction of error adjustment was done to Leave Pay that was incorrectly stated as a Provision. Re-stated as an Accrual and Creditors, Refer Note 33

In terms of exemptions granted in Gazette No 30013 dated 29 June 2007: No provision for past retirement benefits in respect of medical aid contributions was made.



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
5. CREDITORS		
Trade creditors	4 118 298	9 616 861
Accruals on trade creditors	2 552 033	3 218 348
Accrual Leave Pay	1 365 149	1 328 857
Payments received in advance (Debtors: Note 12)		626 934
Retentions	1 481 465	776 570
Municipal stores purchases	-	-
Sundry Deposits	31 528	20 210
Salary clearances	-	-
Unidentified bank deposits	-	473 733
VAT	-	2 738 773
Other creditors	891	1 178 916
Less: Adjustment to 2007 with regards to VAT		(2 738 773)
	<u>9 549 366</u>	<u>17 240 449</u>

See note 5.1

In terms of the exemptions granted in Gazette No. 30013 dated 29 June 2007, Creditors were accounted for at nominal value and no discounting was done.

Note 2007: A correction of error adjustment was made to the Accruals on Trade Creditors in the amount of R2 552 033. Refer Note 33

Note 2007: A correction of error adjustment was done to Leave Pay that was incorrectly stated as a Provision. Re-stated as an Accrual and Creditors. Refer Note 33

5.1 VAT

Vat (Receivable)/Payable	5 780 690	2 738 773
Adjustment Vat Claimable - Eskom Underbidding 2006/6	(313 408)	(313 408)
	<u>5 467 282</u>	<u>2 425 365</u>

VAT is payable on the receipt basis. Only once payment is received from debtors is VAT paid over to SARS.

Note 2007: A correction of error adjustment was made to the Accruals on Trade Creditors in the amount of R313 408. Refer Note 33

6. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

<i>Other Conditional Receipts</i>		
MIG Grant	6 322 261	2 203 720
Finance Management Grant (FMG)	15 685	
DME	7 164 538	3 392 538
PHP Housing project	789 296	912 841

Total Conditional Grants and Receipts

See Note 17 for reconciliation of grants from other spheres of government. These amounts are invested in a ring-fenced investment until utilised.

<u>14 291 780</u>	<u>6 509 099</u>
-------------------	------------------

Note 2007: A correction of error adjustment was made to Grant Creditors in the amount of R5 596 285. Refer note 33



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

MUMJINDI LOCAL MUNICIPALITY

PROPERTY, PLANT & EQUIPMENT

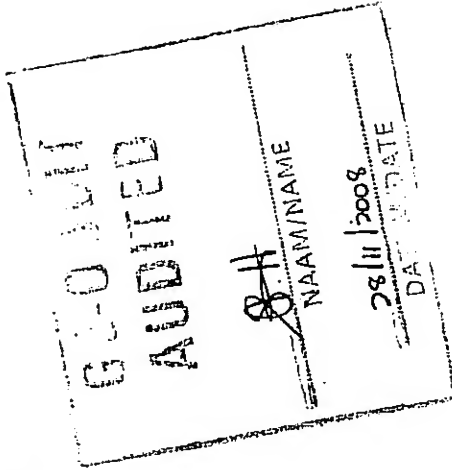
Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other	Capitalised Leased Assets	Total
Carrying values at 1 July 2007	23 803 725	92 441 867	7 878 195	42 806	8 580 881	398 367	133 145 942
Cost	29 403 080	115 671 832	9 732 208	12 808	30 884 343	782 315	188 579 592
Accumulated Depreciation	(5 599 355)	(23 229 965)	(1 854 010)	(23 998 966)	(22 303 462)	(383 948)	(65 430 850)
Acquisitions	-	12 578 978	-	-	1 520 027	-	14 099 005
Depreciation	(950 808)	(6 870 740)	(382 808)	-	(2 486 818)	(12 705)	(10 824 080)
Carrying value of disposals	-	-	-	-	(38 547)	-	(38 547)
Cost	-	-	-	-	(452 782)	-	(452 782)
Accumulated depreciation	-	-	-	-	414 235	-	414 235
Carrying values at 30 June 2008	22 852 817	88 050 105	7 485 387	42 806	7 565 544	385 662	136 382 320
Cost	29 403 080	115 671 832	9 732 208	12 808	32 031 578	782 315	200 222 805
Accumulated Depreciation	(6 550 263)	(27 621 727)	(2 246 821)	(23 998 966)	(24 466 034)	(396 653)	(68 840 488)
Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other		Total
Carrying values at 1 July 2008	24 301 307	82 865 724	7 957 270	42 806	10 779 632	398 367	126 146 106
Cost	29 403 080	115 671 832	9 732 208	12 808	30 884 343	782 315	188 579 592
Accumulated Depreciation	(4 700 773)	(32 806 108)	(1 774 938)	(23 998 966)	(18 535 238)	(383 948)	(42 688 272)
Acquisitions	401 658	18 093 186	303 887	-	831 211	-	17 728 852
Carrying value of disposals	(889 240)	(8 317 053)	(382 861)	-	(3 038 035)	-	(10 837 289)
Depreciation	-	-	-	-	(91 827)	-	(91 827)
Carrying value of disposals	-	-	-	-	(281 736)	-	(281 736)
Cost	-	-	-	-	188 811	-	188 811
Accumulated depreciation	-	-	-	-	-	-	-
Carrying values at 30 June 2007	23 803 725	92 441 867	7 878 195	42 806	8 580 881	398 367	133 145 942
Cost	29 403 080	115 671 832	9 732 208	12 808	30 884 343	782 315	188 579 592
Accumulated Depreciation	(5 599 355)	(23 229 965)	(1 854 010)	(23 998 966)	(22 303 462)	(383 948)	(65 430 850)

Refer to Appendix B for more detail on property, plant and equipment, including those in the process of being constructed.

The Municipality has taken advantage of the transitional provisions set out in GMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will calculate accumulated depreciation once this exercise has been completed. The initial estimated completion for this process was for 30 June 2008. Due to capacity constraints this did not be achieved, but the municipality appointed a service provider to develop a detailed roadmap that is currently being implemented to enable the successful implementation of processes to identify, record, value and manage infrastructure assets. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records. Furthermore, the Municipality has not assessed whether infrastructure and community assets are impaired. Assessment of impairments will be also be finalised by 30 June 2008.

In terms of the exemptions the useful lives and depreciation methods of assets were not reviewed and recognised in the Annual Financial Statements. It is expected that an assessment in this regard will be done by 30 June 2008.

In terms of the exemptions investment properties have not been identified and are included as Land and Buildings within Property, Plant and Equipment. Investment Properties will only be able to be accounted for once all properties and the usage thereof have been identified and determined.



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
8. INVESTMENTS		
<u>Financial Instruments</u>		
FNB Verulam Guarantee, Transferred From Guarantee	815 849	
Current Year Interest Received	65 763	
Fixed Deposits (Sinking Fund)		2 067 584
TOTAL	881 612	2 067 584

Fixed deposits (Sinking Fund) have been ring-fenced for the purposes of repaying long-term liabilities which was redeemed in 31 December 2007.

Average rate of return on investments

8%

9. LONG-TERM RECEIVABLES

Car loans	96 183	204 116
New Service connections	7 658	96 266
Sewerage connection loans (SPCA)	-	2 064
Less : Current portion transferred to current receivables	103 842	302 466
Car loans	75 001	-
New Service connections	67 342	-
Sewerage connection loans (SPCA)	7 658	-
Total	28 841	302 466

CAR LOANS

Senior staff were entitled to car loans which attract interest at 8% and 8.5% per annum and which are repayable over a maximum period of 6 years. No new car loans were granted as from 1 July 2004 according to the MFMA. The loans are repayable in the year

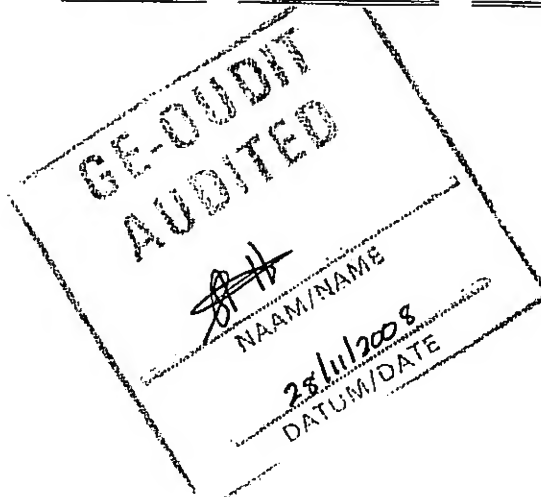
10. INVENTORY

Municipal stores – at cost	2 194 959	2 093 012
Total Inventory	2 194 959	2 093 012

In terms of Gazette No. 30013 dated 29 June 2007, we did not recognise and disclose water stock on hand as at 30 June 2008.

11. CONSUMER DEBTORS

As at 30 June 2008	Gross Balances R	Provision for Bad Debts R	Net Balance R
Service debtors			
Tax (Rates)	3 186 544	(2 136 420)	1 050 124
Electricity	2 087 734	(1 399 722)	688 012
Water	3 575 727	(2 397 348)	1 178 379
Refuse	2 640 832	(1 770 547)	870 285
Sewerage	1 743 451	(1 168 897)	574 553
Loan debtors	372 533	(249 765)	122 768
Sundry accounts	554 020	(371 443)	182 577
VAT	1 609 924	(1 079 374)	530 550
Sundry accounts(non tax)	11 016 461	(7 366 002)	3 650 459
Plus: Debtor payments received in advance (Note 4)			
Total	28 787 225	(17 959 518)	10 827 707



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
	Gross Balances	Provision for Bad Debts	Net Balance
As at 30 June 2007	R	R	R
Service debtors			
Tax (Rates)	2 534 697	(1 074 968)	1 459 729
Electricity	1 957 470	(698 400)	1 259 070
Water	3 203 065	(1 039 524)	2 163 541
Refuse	2 084 517	(876 882)	1 207 635
Sewerage	1 329 733	(623 931)	705 802
Loan debtors	358 567	-	358 567
Sundry accounts	837 997	-	837 997
VAT	1 340 710	-	1 340 710
Sundry accounts(non tax)	10 031 889	(6 964 275)	3 067 614
Plus: Debit payments receive in advance (Note4)	626 934	-	626 934
Total	24 305 579	(11 277 980)	13 027 599

Rates: Ageing

	2008	2007
Current (0 - 30 days)	1 014 161	961 034
31 - 60 Days	157 804	132 592
61 - 90 Days	144 973	140 642
91 - 120 Days	123 706	110 102
121 - 365(+) Days	1 745 900	1 190 327
Total	3 185 544	2 534 697

(Electricity, Water, Refuse and Sewerage): Ageing

	2008	2007
Current (0 - 30 days)	3 776 073	3 993 384
31 - 60 Days	498 159	425 889
61 - 90 Days	422 876	349 103
91 - 120 Days	384 642	304 054
121 - 365(+) Days	4 965 994	3 502 355
Total	10 047 743	8 574 785

Sundry accounts: Ageing

	2008	2007
Current (0 - 30 days)	160 001	1 105 385
31 - 60 Days	191 947	348 583
61 - 90 Days	279 673	173 540
91 - 120 Days	219 267	595 191
121 - 365(+) Days	10 719 610	10 346 454
Total	11 570 498	12 569 153

Reconciliation of the bad debt provision

Balance at beginning of the year	11 277 980	12 184 496
Contributions to provision	6 681 538	1 999 991
Bad debts written off against provision		(2 906 507)
Reversal of provision		
Balance at end of year	17 959 518	11 277 980

Debtors were disclosed at nominal value net of provision for bad debts and no discounting in terms of the exemptions granted in Gazette No. 30013 dated 29 June 2007, was done.

12. OTHER DEBTORS

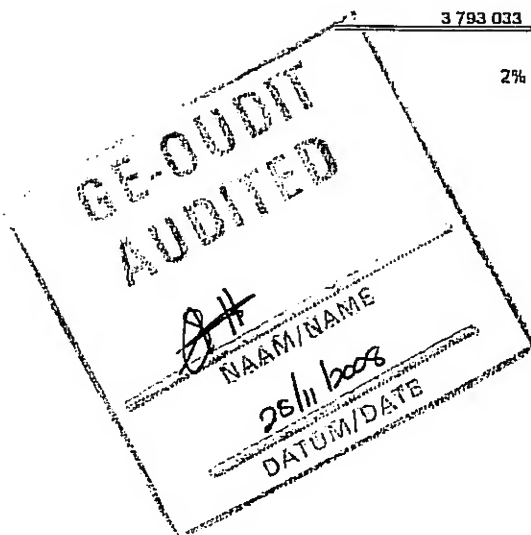
Sundry debtors	237	42 134
Total Other Debtors	237	42 134

13. CALL INVESTMENT DEPOSITS

Call deposits	3 793 033	8 191 651
---------------	-----------	-----------

Average rate of return on call investments, without taking withdrawals into account

2%



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

14. BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank account: -

Current Account (Primary Bank Account)

FIRST NATIONAL BANK -Barberton Branch (270152) Account
Number (51600026441)

Cash book balance at beginning of year - (overdrawn)
Cash book balance at end of year - (overdrawn)

(6 890 461)	4 526 400
(1 722 676)	(6 890 461)

Bank statement balance at beginning of year - (overdrawn)
Bank statement balance at end of year - positive

(463 725)	7 849 287
5 395 161	(463 725)

Bank account (Accrued interest)

Petty cash balance at beginning of year
Petty cash balance at end of year

10 500	10 500
10 500	10 500

Cash floats balance at beginning of year
Additional float added - Community Services
Cash floats balance at end of year

2 770	2 770
300	
3 070	2 770

15. PROPERTY RATES

Actual

Residential
Commercial
State

Total Assessment Rates

2008	2007
6 026 396	5 612 844
3 652 322	3 456 645
1 147 041	1 082 265
10 827 750	10 151 754

Valuations

Residential
Commercial
State

Total Property Valuations

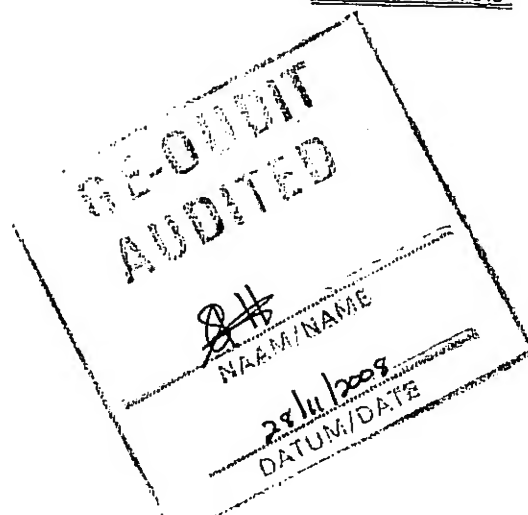
July 2008 R000's	July 2007 R000's
54 150 350	5 612 844
17 918 860	3 456 645
7 606 820	1 082 265
79 676 030	10 151 754

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2004. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations and subdivisions. A general rate of R0.1923 (2006: R0.1806) is applied to property valuations to determine assessment rates. Rebates of 20% are granted to state property owners and 45% for all residential property owners. Rates are levied on a monthly basis on all property owners. Interest at 8% per annum is levied on outstanding rates.

16. SERVICE CHARGES

Sale of electricity
Sale of water
Refuse removal
Sewerage and sanitation charges
Total Service Charges

28 380 180	26 453 050
13 115 266	12 249 999
5 583 608	5 254 548
4 132 793	3 899 912
61 211 848	47 857 509



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
17. GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share (IGG)		
Finance Management Grant (FMG)	17 572 867	15 377 553
MIG Grant	484 315	500 000
DME	10 977 018	7 029 568
PHP Housing project	4 307 000	4 361 000
Municipal Systems Improvement Grant		85 309
Emergency water supply	734 000	-
LED/IDP EDM grant	-	75 306
Library - Furniture Grant	-	51 252
Heritage Grant	19 838	-
Human Settlement Grant	200 000	-
Municipal Manager - Ward Committee Expenditure Grant	296 499	-
	15 484	-
Total Government Grant and Subsidies	<u>34 607 022</u>	<u>27 479 988</u>
Correction Unspent grant Creditors 2007		-5 596 258
Total Government Grant and Subsidies Transferred to Income	<u>34 607 022</u>	<u>21 883 729</u>

Note 2007: A correction of error adjustment was done to restate the Unspent Grant Creditors incorrectly disclosed in the amount of R 5 596 258.42 Refer Note 33

17.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All residential consumers receive a subsidy for 6lit water and 50kwh electricity (free basic services). All registered and approved indigents receive a subsidy for refuse removal, sewer and assessment rates.

Included in the equitable share is an amount of R594 000 that was a special contribution for councillors remuneration

17.2 Finance Management Grant

Balance unspent at beginning of year

Current year receipts

Conditions met - transferred to revenue

Conditions still to be met - transferred to liabilities

500 000	500 000
(484 315)	(500 000)
<u>15 685</u>	<u>-</u>

This grant was used to for financial support and debt collection intervention.

17.3 MIG Grant

Balance unspent at beginning of year

Current year receipts

Conditions met - transferred to revenue

Conditions still to be met - transferred to liabilities

2 203 720	
15 095 559	7 029 568
(10 977 018)	(4 825 848)
<u>6 322 261</u>	<u>2 203 720</u>

This grant was used to construct roads, water and sewerage infrastructure as part of the upgrading of informal settlement areas. No funds were withheld.

17.4 National Electricity Regulator (DME)

Balance Unspent at beginning of year

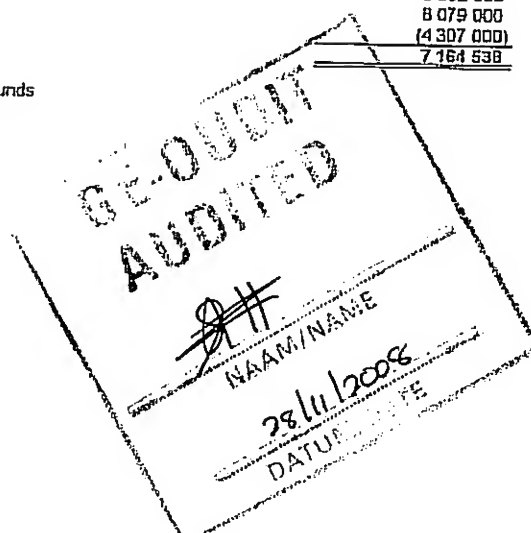
Current year receipts

Conditions met - transferred to revenue

Conditions still to be met - transferred to liabilities (see note 6)

3 392 538	
8 079 000	4 376 779
(4 307 000)	(984 241)
<u>7 164 538</u>	<u>3 392 538</u>

The grant was utilised for electrification in the rural areas. No funds were withheld.



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
17.5 PHP Housing Project		
Balance unspent at beginning of year		
Current year receipts	912 841	528 296
Conditions met - already in revenue		469 854
Conditions still to be met - transferred to liabilities (see note 6)	<u>(123 545)</u>	<u>(85 309)</u>
	<u>789 296</u>	<u>912 841</u>

Umjindi municipality fulfills the role as account administrator for the Department of Housing: Directorate Urban renewal human settlement & redevelopment on the PHP (Peoples Housing Project). Monthly financial reports are submitted to the Department. The conditions of the grant were met.

17.6 Emergency Water Supply

Balance unspent at beginning of year		
Current year receipts	-	75 306
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	<u>-</u>	<u>(75 306)</u>
	<u>-</u>	<u>-</u>

The grant was received from the Department of Water Affairs and Forestry (DWAF) and have been earmarked for emergency water supply in disaster declared areas. The conditions of the grant were met.

GOVERNMENT GRANTS AND SUBSIDIES

17.7 LED/IDP (EDM)

Balance unspent at beginning of year		
Current year receipts	-	51 252
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	<u>-</u>	<u>(51 252)</u>
	<u>-</u>	<u>-</u>

The grant was received from Ehlanzeni district municipality on the submission of business plans for the implementation of the objectives and strategies within the institutional capacity of the LED unit of Council. The conditions of the grant have been met.

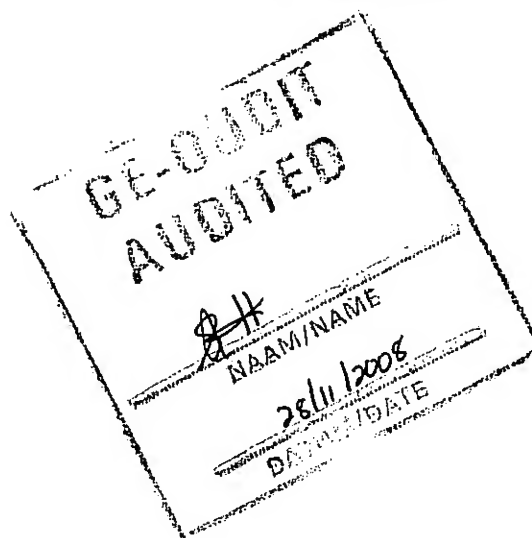
17.8 MSIG - Municipal Systems Improvement Grant

Balance unspent at beginning of year		
Current year receipts	-	-
Conditions met - transferred to revenue	734 000	-
Conditions still to be met - transferred to liabilities	<u>(734 000)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The grant was received for utilisation to improvements of municipal systems, for example Property Rates Act, Valuation Roll, Asset Register and Ward Committees

18. OTHER INCOME

Other income	3 752 355	5 244 381
Sale of property		
Total Other Income	<u>3 752 355</u>	<u>5 244 381</u>



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
19. EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	26 311 829	23 401 622
Employee related costs - Contributions for UIF, pensions and medical aids	6 440 543	5 502 211
Travel allowance	1 643 994	1 341 525
Housing benefits and allowances	1 034 485	136 008
Overtime payments	1 664 862	889 109
Standby allowances	328 080	236 040
Leave Bonusses	1 547 119	1 400 846
Performance bonus (Section 57 employees)	214 855	624 284
Total Employee Related Costs	39 185 767	33 531 645

The following is included in the employee related costs:

Remuneration of the Municipal Manager

Annual Remuneration	738 257	668 124
Performance Bonuses	85 139	85 139
Total	823 396	753 263

Remuneration of the Chief Finance Officer and Individual Executive Directors

30 June 2008

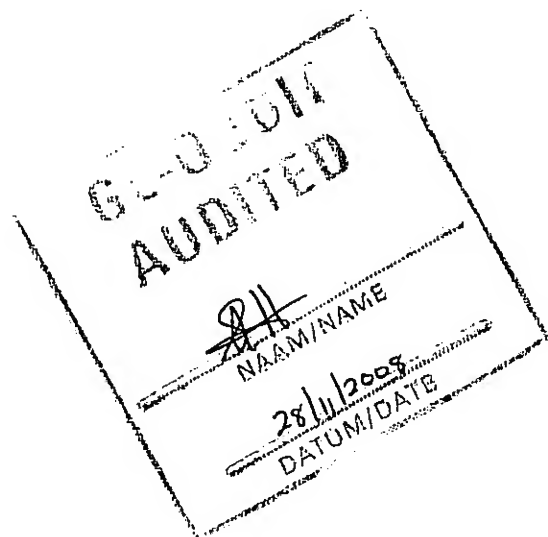
	<u>Deputy Municipal Manager</u> R	<u>Chief Financial Officer</u>	<u>Director Electrical Services</u> R
Annual Remuneration	-	650 000	606 239
Performance Bonuses	-	-	64 858
Total	-	650 000	671 097

	<u>Director Corporate Services</u> R	<u>Director Community Services</u>	<u>Director Civil Services</u> R
Annual Remuneration	-	606 239	606 239
Performance Bonuses	-	64 858	-
Total	-	671 097	606 239

30 June 2007

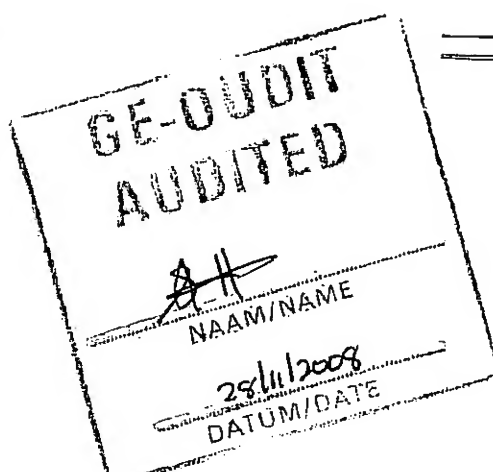
	<u>Deputy Municipal Manager</u> R	<u>Chief Financial Officer</u>	<u>Director Electrical Services</u> R
Annual Remuneration	-	259 514	548 359
Performance Bonuses	-	64 858	64 858
Total	-	324 372	613 217

	<u>Director Corporate Services</u> R	<u>Director Community Services</u>	<u>Director Civil Services</u> R
Annual Remuneration	546 647	548 336	48 360
Performance Bonuses	-	64 858	-
Total	546 647	613 194	48 360



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
20. REMUNERATION OF COUNCILLORS		
Executive Mayor		
Speaker	437 379	455 078
Executive / Mayoral Committee Members (2)	410 729	393 559
Councillors (10)	709 470	726 230
Councillors' pension contribution	1 439 331	1 485 737
Councillors medical aid contributions	245 863	-
Total Councillors' Remuneration	<u>74 087</u>	<u>-</u>
	<u>3 316 858</u>	<u>3 060 604</u>
<i>In-kind Benefits</i>		
The Executive Mayor, Speaker and Mayoral Committee Members are full-time as from March 2006. The Mayoral Committee is provided with office and secretarial support at the cost of the Council. The Executive Mayor has the use of a Council owned vehicle for official duties.		
21. INTEREST PAID		
Long-term liabilities		
Bank overdrafts	1 219 849	1 443 342
Total Interest on External Borrowings	<u>1 219 849</u>	<u>1 443 342</u>
22. BULK PURCHASES		
Electricity		
Electricity	13 068 637	14 313 658
	<u>13 068 637</u>	<u>14 313 658</u>
Note 2007 A correction of error adjustment was made to the Accruals on Trade Creditors in the amount of R2 238 626. Refer Note 33		
23. GENERAL EXPENSES		
General Expenses		
	<u>27 442 891</u>	<u>19 746 005</u>
General expenses excluding remuneration of councillors and bulk electricity purchases		
24. CASH GENERATED BY OPERATIONS		
Surplus/(deficit) for the year		
Adjustment for:-	(2 879 369)	3 595 716
Correction of Error affecting 2007 surplus		
Bad debts	-	(7 950 057)
Contribution to Leave Pay	6 681 538	1 999 992
Contribution Provisions	783 504	145 352
Depreciation	275 123	(1 114 002)
Gain on disposal of property, plant and equipment	10 824 080	10 637 288
Loss on disposal of property, plant and equipment		-
GRAP/GAMAP conversion, Capitalisation of Leased Assets	38 547	91 827
Interest paid	-	115 173
Investment Income	1 219 849	1 443 342
Changes in working capital	<u>(2 597 142)</u>	<u>(2 243 870)</u>
(Increase)/decrease in inventories	14 346 130	8 720 761
(Increase)/decrease in debtors	(101 947)	(569 902)
(Increase)/decrease in other debtors	(2 481 646)	(2 631 749)
(Increase)/decrease in conditional grants and receipts	41 897	187 999
(Increase)/decrease in creditors	7 782 681	5 854 245
(Increase)/decrease in VAT balance	(7 691 084)	(2 920 259)
Cash generated by/(utilised in) operations	<u>3 041 917</u>	<u>2 425 365</u>
	<u>14 937 848</u>	<u>9 066 461</u>



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:

Bank balances and cash		
Bank account (Accrued interest)	(1 722 676)	(6 890 461)
Petty cash		
Cash Floats	10 500	10 500
Bank overdrafts	3 070	2 770
Total cash and cash equivalents	<u>(1 709 106)</u>	<u>(6 877 191)</u>

26. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)
Used to finance property, plant and equipment – at cost
Sub- total
Cash set aside for the repayment of long-term liabilities
Cash invested for repayment of long-term liabilities (see note 8)

	2008		2007
R		R	
	7 772 522		10 589 995
	<u>7 772 522</u>		<u>9 034 036</u>
	<u>7 772 522</u>		<u>1 555 959</u>

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

27. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

27.1 UIF

Opening balance
Current year payroll deductions
Amount paid - current year
Balance unpaid (included in creditors)

	246 759		185 993
	<u>(246 759)</u>		<u>(185 993)</u>

27.2 Medical Aid Deductions

Opening balance
Current year payroll deductions and Council Contributions
Amount paid - current year
Balance unpaid (included in creditors)

	1 588 382		1 240 234
	<u>(1 588 382)</u>		<u>(1 240 234)</u>

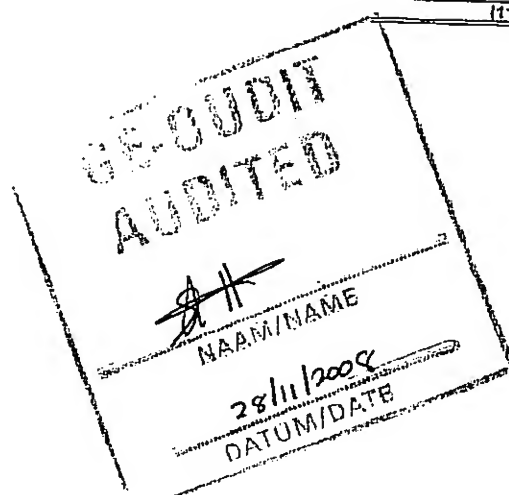
27.3 Councilor's arrear consumer accounts

No Councilors had arrear accounts outstanding for more than 90 days.

27.4 Audit fees

Opening balance
Current year audit fee
Amount paid - current year
Amount paid - previous years
Balance unpaid (included in creditors)

	32 910		146 079
	<u>(537 096)</u>		<u>(334 870)</u>
	<u>367 988</u>		<u>221 701</u>
	<u>(116 198)</u>		<u>32 910</u>



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
<u>27.5 Guarantee (Purchase of farm Verulam)</u>		
Opening balance		
Current year interest received		770 645
Amount paid - transferred to investment		45 204
Amount paid - previous years		(815 849)
Balance as per bank statement	-	-

The investment is held as guarantee for a farm that was purchased by the municipality for the erection on RDP houses. Umjindi Municipality did bought the farm Verulam during 2004 for R700 000,00 where on 650 house holds was situated in an informal settlement.

Also See note 8

28. RETIREMENT BENEFIT INFORMATION

All Councillors and employees belong to 5 defined contribution retirement funds administered by the Provincial Pension Fund. These funds are subject to a triennial actuarial valuation. These valuations indicate that the funds are in a sound position.

29. COMPLIANCE WITH CHAPTER 11 OF THE LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (6 of 2003)

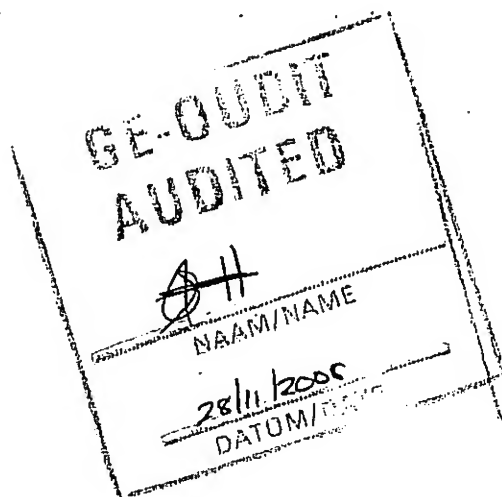
The Municipality did developed a supply chain management policy and was implemented as from 1 January 2006

30. COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E(1) and E(2).

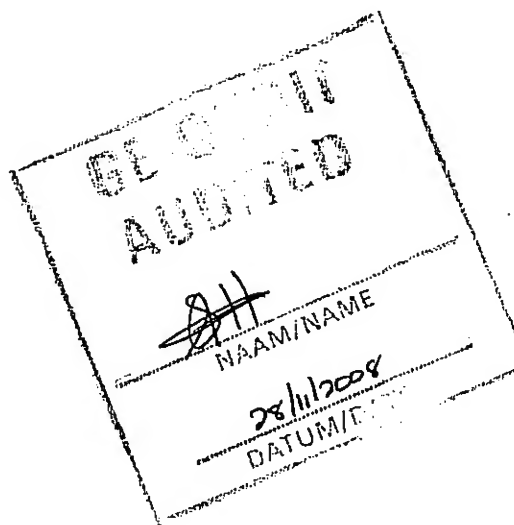
31. EVENTS AFTER THE REPORTING DATE

The Municipality has agreed in principle to transfer its electricity function to the new Regional Electricity Distributor (RED). The date of transfer is still to be determined. The financial effect of this transfer is not yet known as the Municipality is uncertain as to what its share of the revenue of the RED will be or what the terms and conditions of the transfer will be. There are ongoing discussions with the management of RED and EDI Holdings, which is the responsible for the implementation of REDS nationally.



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
32. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFULL EXPENDITURE		
32.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure		
Opening balance		
Fruitless and wasteful expenditure current year		29 824
Condoned or written off by Council		-
Condoned to be written back by SARS		-
Back payment from SARS is being awaited		-
	<u>-</u>	<u>29 824</u>
Incident		
Unbudgeted expenditure		
Interest incurred on VAT return submitted late during September 2005 SARS has confirmed that they would reimburse Council the interest charged		
32.2 Unauthorised expenditure		
Reconciliation of unauthorised expenditure		
Opening balance		
Fruitless and wasteful expenditure current year	-	579
Paid back by official responsible		-
Full amount received back by council		-579
	<u>-</u>	<u>-</u>
Incident		
Unbudgeted expenditure		
Interest incurred on late payments of RSC levies. The full amount was paid back to Council during the 2006/2007 financial year.		
32.3 Irregular expenditure		
Reconciliation of irregular expenditure		
Opening balance		
Irregular expenditure current year	9 522	
Paid back by official responsible		9 522
Irregular expenditure awaiting to be paid back to council	(9 522)	-
	<u>-</u>	<u>8 522</u>
Incident		
The overpayment of a cell phone allowance to the Executive Mayor of R1056 00 for 9 months		
Council resolution FA 138 dated 19 February 2007		



UMJINDI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

33 CORRECTION OF ERROR

2007
R

During the year the following adjustments were made to transactions whereby amounts were erroneously stated in previous financial periods:

Transactions affecting Revaluation Reserve (Incorrect revaluation of land and buildings)	
Transactions affecting PPE (Incorrect revaluation of land and buildings)	
Transactions affecting Revaluation Reserve (Accumulated depreciation on buildings not adjusted)	
Transactions affecting PPE (Accumulated depreciation on buildings not adjusted)	
Transactions affecting Current Liabilities: Unspent Conditional Grants and Receipts (2006-2007: MIG)	(2 203 720.02)
Transactions affecting Current Liabilities: Unspent Conditional Grants and Receipts (2006-2007: DME)	(3 392 538.40)
Transactions affecting Creditors: Accrual (2005-2006: Eskom Underbilling)	(2 238 625.75)
Leave Pay incorrectly stated as Provision	1 328 857.08
Leave Pay re-allocated to Current Liabilities	(1 328 857.08)
Correction of Financial Leased Assets previously recorded as Operating Leases	0.00
Increase in Non Current Liabilities	513 539.86
Adjustments affecting PPE	(762 315.20)
Adjustments affecting Accumulated Depreciation	363 948.42
Adjustments affecting Accumulated Surplus	(115 173.09)
Adjusted to Accumulated Surplus	(7 950 057.27)
Net Effect on Accumulated Surplus	(7 950 057.27)

Eskom Underbilling:

It was discovered in 2007/8 that an amount of R2 552 033.36 (VAT inclusive) was underbilled by Eskom. According to the service agreement between the Council and Eskom, Eskom has the right to recover underbilled amounts up to 36 months.

Adjustment to Accruals	(666 315.47)
Adjustment to Investments (Verulam Farm)	(815 849.51)
Indigent Debtors 2006/7	65 878.71
Prior year Adjustments to Creditors and Debtors	358 947.49
Transfer to Self Insurance Reserve	58 978.59
Prior Year Adjustments affecting Accumulated Surplus in current year	998 360.19

34 RESERVES

	2008	2007
Self-Insurance Reserve		
Government Grant Reserve	2 441 996	2 500 975
Total Reserves	<u>2 441 996</u>	<u>13 279 163</u>
		<u>15 780 138</u>

The Self-Insurance Reserves is fully invested in financial investment instruments.

Note: In terms of GRAP 1 - The Government Grant Reserve have been transferred retrospectively from 30 June 2007 to the Accumulated Surplus (Refer to Statement of Changes in Net Assets)

35 CONTINGENT LIABILITIES

LANDFILL SITES

The obligation for future rehabilitation of the Barberfontein Landfill Site could not be determined as at year end. However as this Landfill Site is not yet licensed and currently operating at its maximum capacity, the obligation for rehabilitation exists. Umjindi is currently in the process of addressing this issue.

36 FINANCE LEASES

Liabilities	
Within one year	128 185
Within two to five years	150 195
More than five years	
Total	<u>285 380</u>
Future Finance Charges	
Within one year	5 855
Within two to five years	6 280
More than five years	
Total	<u>12 134</u>
Present Value of Lease Obligations	
Within one year	122 330
Within two to five years	151 915
More than five years	



UMJINDI LOCAL MUNICIPALITY

APPENDIX A: SCHEDULE OF LONG TERM LIABILITIES AS AT 30 JUNE 2008

EXTERNAL LOANS	Interest Rate	Loan No. (old)	Loan No. (new)	Redeemable	Balance at 30/06/2007	Received during year	Redeemed or written off during year	Balance at 30/06/2008
					R	R		R
LONG TERM LOANS								
ROCK LOANS :-								
VIB Nominees	12.30%	L 99		31-Jan-08	42 000			
VIB Nominees	10.05%	L 105		31-Jan-09	65 000		42 000	
TD Bank Nom.	16.75%	L 116		31-Dec-06				65 000
TD Bank Nom.	16.70%	L 117		31-Dec-07	2 300 000			
				Sub - Total	2 407 000		2 300 000	
UNIVERSITY LOANS :-								
B S A	14.50%	L 121	11037	31-Mar-18	1 672 346			65 000
B S A	15.00%	L 122	13279	31-Mar-19	1 293 775		58 094	1 604 253
B S A	16.50%	L 124	13356	30-Sep-19	864 005		42 697	1 251 079
B S A	10.81%	L 25832	101751	31-Mar-15	1 919 675		23 442	840 563
B S A	9.08%	L 102202	102202	30-Sep-16	1 840 789		160 840	1 758 835
B S A	8.94%	L 102202	102202	30-Sep-11	592 404		68 138	1 772 650
				Sub - Total	8 182 995		112 162	480 242
Total long term loans					10 589 995		475 372	7 707 622
							2 817 372	7 772 622

Assets	Cost/Revaluation				Accumulated Depreciation				Carrying Value
	Opening Balance	Asset Re-Classification	Restated Balance	Additions	Disposals	Closing Balance	Disposals	Depreciation	
Buildings	763 882.00	(189 912.01)	573 970.00	0.00	0.00	763 882.00	0.00	960 908.07	763 882.00
Land & Plant	28 539 208.00	(189 912.01)	28 349 296.00	0.00	0.00	28 539 208.00	0.00	960 908.07	28 349 296.00
Plant	29 403 080.00	(189 912.01)	29 213 168.00	0.00	0.00	29 403 080.00	0.00	960 908.07	29 213 168.00
Equipment	29 791 515.39		29 791 515.39	4 959 662.51	0.00	29 791 515.39	0.00	2 641 080.95	27 140 434.44
Infrastructure	11 817 609.39		11 817 609.39	2 999 879.61	0.00	11 817 609.39	0.00	604 827.59	10 212 781.80
Land	4 885 546.00	616.74	4 885 546.74	0.00	0.00	4 885 546.00	0.00	604 827.59	4 280 719.15
Plant	28 085 649.00		28 085 649.00	4 417 346.57	0.00	28 085 649.00	0.00	244 946.54	27 840 702.56
Equipment	41 087 850.46		41 087 850.46	202 089.33	0.00	41 087 850.46	0.00	1 418 796.75	40 669 053.71
Infrastructure	3 250.00		3 250.00	0.00	0.00	3 250.00	0.00	2 060 856.55	1 189 193.45
Land	115 671 560.24	616.74	115 672 176.98	12 678 978.02	0.00	115 672 176.98	0.00	220 000.00	115 452 176.98
Plant	662 424.60		662 424.60	0.00	0.00	662 424.60	0.00	6 970 740.39	655 453.21
Infrastructure	616 680.00		616 680.00	0.00	0.00	616 680.00	0.00	61 107.16	555 572.84
Land	64 903.00		64 903.00	0.00	0.00	64 903.00	0.00	20 612.32	44 290.68
Plant	8 388 198.00		8 388 198.00	0.00	0.00	8 388 198.00	0.00	2 169.35	8 386 028.65
Infrastructure	9 732 205.60	0.00	9 732 205.60	0.00	0.00	9 732 205.60	0.00	308 920.16	9 423 285.44
Land	42 806.00		42 806.00	0.00	0.00	42 806.00	0.00	392 802.99	42 413.01
Plant	42 806.00	0.00	42 806.00	0.00	0.00	42 806.00	0.00	0.00	42 806.00
Infrastructure	1 558 327.31	(20 440.05)	1 537 887.26	112 953.30	0.00	1 537 887.26	0.00	0.00	1 537 887.26
Land	3 552 113.00		3 552 113.00	391 100.10	0.00	3 552 113.00	0.00	339 855.37	3 212 257.63
Plant	6 156 799.57	20 440.09	6 177 239.66	254 240.10	0.00	6 177 239.66	0.00	152 759.00	6 024 480.66
Infrastructure	1 348 046.00		1 348 046.00	0.00	0.00	1 348 046.00	0.00	486 289.31	861 756.69
Land	569 927.05		569 927.05	0.00	0.00	569 927.05	0.00	55 372.80	514 554.25
Plant	14 731 470.00	189 297.21	14 920 767.21	689 494.57	0.00	14 920 767.21	0.00	22 688.18	14 898 079.03
Infrastructure	2 949 858.33		2 949 858.33	72 239.21	0.00	2 949 858.33	0.00	1 400 033.28	1 549 825.05
Land	30 564 341.26	189 297.25	30 753 638.51	1 620 027.26	(452 792.00)	30 753 638.51	(414 245.05)	40 910.52	30 339 393.46
Plant	762 315.20		762 315.20	0.00	0.00	762 315.20	0.00	2 496 977.54	759 818.66
Infrastructure	188 578 310.30	1.98	188 578 312.28	14 088 005.30	(452 792.00)	188 578 312.28	(414 245.05)	12 705.25	188 164 067.23
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Plant	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Infrastructure	188 578 310.30		188 578 310.30	0.00	0.00	188 578 310.30	0.00	0.00	188 578 310.30
Land	188 578 310.30		188 578 310.30	0					

ICIL	BUDGET 2008	COST										Accumulated Depreciation				Carrying Value 30-Jun-08
		Opening Balance	Initial Departmental movement	R ¹ Capital Cost	Additional Dispositions	Closing Balance	Opening Balance	Departmental movement	Revised Opening Balance	Depreciation	Disposals					
13	821 000	2 650 278	363 301	3 003 579	287 880	3 301 459	2 143 533	(131 551)	2 011 903	262 313	-	-	-	-	-	2 405 848
19	821 000	421 784	(87 148)	334 646	102 525	437 271	280 273	(19 710)	269 563	23 270	-	-	-	-	-	312 544
25		536 353	538 860	1 077 343	98 769	1 177 112	384 610	(28 091)	356 719	142 914	-	-	-	-	-	527 724
24		1 600 121	(98 430)	1 501 550	95 487	1 697 067	1 469 450	(63 749)	1 385 700	96 129	-	-	-	-	-	1 565 779
27																
27	1 264 000	2 313 305	308 858	2 603 223	954 215	3 557 439	1 888 708	331 080	2 219 787	231 635	-	-	-	-	-	2 119 744
20	904 000	1 023 481	(162 909)	1 860 352	948 654	2 809 010	1 533 732	(147 120)	1 386 612	167 557	-	-	-	-	-	1 701 209
26	984 000	1 823 451	(162 809)	1 660 552	948 654	2 609 206	1 533 732	(147 120)	1 386 612	167 557	-	-	-	-	-	1 701 209
16	204 000															
18	66 000	408 804	452 787	942 871	5 582	948 459	384 377	470 200	832 595	64 078	-	-	-	-	-	418 455
33	278 000	584 082		584 082		584 082	354 377	478 208	832 595	64 078	-	-	-	-	-	418 455
5	18 000						7 766									42 312
12	250 000	594 082		594 082		594 082										551 740
23																
8/9		749 547	4 265	753 911	10 467	772 380	700 504	(3 056)	705 527	27 749	-	-	-	-	-	551 740
AL SERVICES																
5	180 000	1 878 088	4 265	1 883 811	18 457	1 924 380	1 600 053	(3 056)	1 603 099	27 749	-	-	-	-	-	38 036
2	85 000	820 103	(3 220)	816 843	41 147	838 406	752 552	(236)	752 017	162 095	-	-	-	-	-	1 142 148
10/10/00	105 000	152 821		152 821	18 523	171 344	8 513	(536)	162 831	48 374	-	-	-	-	-	800 928
1	105 000	152 821		152 821	18 523	171 344	8 513	(536)	162 831	48 374	-	-	-	-	-	34 640
14		903 004	9 665	912 669	22 625	935 294	818 208	300	818 208	51 080	-	-	-	-	-	99 693
18/1		829 684	10 550	840 234	22 625	862 859	84 886	132	84 886	51 080	-	-	-	-	-	93 228
sums		84 338		84 338		84 338	754 102	168	754 102	53 841	-	-	-	-	-	54 444
17/2	263 374	6 130 341	(184 364)	5 945 977		5 761 613	60 511		5 906 588	3 028	-	-	-	-	-	25 953
28		77 103	(155 259)	5 087 980		4 932 721	60 511		5 048 491	3 028	-	-	-	-	-	28 491
10/00	18 000	1 515 074	(3 087)	1 511 988	100 912	1 612 900	1 157 372	351 432	1 161 400	8 121 083	-	-	-	-	-	64 330
30	139 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	44 301 810
3	130 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 304 573
4	25 000	146 102 252	8 077 028	153 980 178	5 219	159 199 178	473 541	5 052	478 594	30 195	-	-	-	-	-	1 304 573
17	263 374	6 130 341	(184 364)	5 945 977		5 761 613	60 511		5 906 588	3 028	-	-	-	-	-	603 737
28		77 103	(155 259)	5 087 980		4 932 721	60 511		5 048 491	3 028	-	-	-	-	-	503 737
10/00	18 000	1 515 074	(3 087)	1 511 988	100 912	1 612 900	1 157 372	351 432	1 161 400	8 121 083	-	-	-	-	-	42 493 320
30	139 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	42 493 320
3	130 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	42 493 320
4	25 000	146 102 252	8 077 028	153 980 178	5 219	159 199 178	473 541	5 052	478 594	30 195	-	-	-	-	-	42 493 320
17	263 374	6 130 341	(184 364)	5 945 977		5 761 613	60 511		5 906 588	3 028	-	-	-	-	-	111 486 850
28		77 103	(155 259)	5 087 980		4 932 721	60 511		5 048 491	3 028	-	-	-	-	-	111 486 850
10/00	18 000	1 515 074	(3 087)	1 511 988	100 912	1 612 900	1 157 372	351 432	1 161 400	8 121 083	-	-	-	-	-	1 014 572
30	139 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
3	130 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
4	25 000	146 102 252	8 077 028	153 980 178	5 219	159 199 178	473 541	5 052	478 594	30 195	-	-	-	-	-	1 014 572
17	263 374	6 130 341	(184 364)	5 945 977		5 761 613	60 511		5 906 588	3 028	-	-	-	-	-	1 014 572
28		77 103	(155 259)	5 087 980		4 932 721	60 511		5 048 491	3 028	-	-	-	-	-	1 014 572
10/00	18 000	1 515 074	(3 087)	1 511 988	100 912	1 612 900	1 157 372	351 432	1 161 400	8 121 083	-	-	-	-	-	1 014 572
30	139 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
3	130 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
4	25 000	146 102 252	8 077 028	153 980 178	5 219	159 199 178	473 541	5 052	478 594	30 195	-	-	-	-	-	1 014 572
17	263 374	6 130 341	(184 364)	5 945 977		5 761 613	60 511		5 906 588	3 028	-	-	-	-	-	1 014 572
28		77 103	(155 259)	5 087 980		4 932 721	60 511		5 048 491	3 028	-	-	-	-	-	1 014 572
10/00	18 000	1 515 074	(3 087)	1 511 988	100 912	1 612 900	1 157 372	351 432	1 161 400	8 121 083	-	-	-	-	-	1 014 572
30	139 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
3	130 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
4	25 000	146 102 252	8 077 028	153 980 178	5 219	159 199 178	473 541	5 052	478 594	30 195	-	-	-	-	-	1 014 572
17	263 374	6 130 341	(184 364)	5 945 977		5 761 613	60 511		5 906 588	3 028	-	-	-	-	-	1 014 572
28		77 103	(155 259)	5 087 980		4 932 721	60 511		5 048 491	3 028	-	-	-	-	-	1 014 572
10/00	18 000	1 515 074	(3 087)	1 511 988	100 912	1 612 900	1 157 372	351 432	1 161 400	8 121 083	-	-	-	-	-	1 014 572
30	139 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
3	130 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
4	25 000	146 102 252	8 077 028	153 980 178	5 219	159 199 178	473 541	5 052	478 594	30 195	-	-	-	-	-	1 014 572
17	263 374	6 130 341	(184 364)	5 945 977		5 761 613	60 511		5 906 588	3 028	-	-	-	-	-	1 014 572
28		77 103	(155 259)	5 087 980		4 932 721	60 511		5 048 491	3 028	-	-	-	-	-	1 014 572
10/00	18 000	1 515 074	(3 087)	1 511 988	100 912	1 612 900	1 157 372	351 432	1 161 400	8 121 083	-	-	-	-	-	1 014 572
30	139 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
3	130 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
4	25 000	146 102 252	8 077 028	153 980 178	5 219	159 199 178	473 541	5 052	478 594	30 195	-	-	-	-	-	1 014 572
17	263 374	6 130 341	(184 364)	5 945 977		5 761 613	60 511		5 906 588	3 028	-	-	-	-	-	1 014 572
28		77 103	(155 259)	5 087 980		4 932 721	60 511		5 048 491	3 028	-	-	-	-	-	1 014 572
10/00	18 000	1 515 074	(3 087)	1 511 988	100 912	1 612 900	1 157 372	351 432	1 161 400	8 121 083	-	-	-	-	-	1 014 572
30	139 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
3	130 000	629 233	5 818	635 052	95 693	730 745	1 157 372	10 107	1 167 480	181 200	-	-	-	-	-	1 014 572
4	25 000	146 102 252	8 077 028	153 980 178	5 219	159 199 178	473 541	5 052	478 594	30 195	-	-	-	-	-	1 014 572
17	263 374	6 130 341	(184 364)	5 945 977		5 761 613	60 511		5 906 588	3 028	-	-	-	-	-	1 014 572
28		77 103	(155 259)	5 087 980		4 932 721	60 511		5 048 491	3 028	-	-	-	-	-	1 014 572
10/00	18 000	1 515 074	(3 087)	1 511 988	100 912	1 612 900	1 157 372	351 432	1 161 400	8 121 083	-	-	-	-	-	1 014 572
30	139															

APPENDIX D: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

2007 ACTUAL INCOME R	2007 ACTUAL EXPENDITURE R	2007 SURPLUS/ (DEFICIT) R	SERVICE	2008 ACTUAL INCOME R	2008 ACTUAL EXPENDITURE R	2008 SURPLUS/ (DEFICIT) R
176 955	7 429 010	-7 252 055	EXECUTIVE & COUNCIL	191 628	8 165 923	-7 974 296
39 507	-194 933	234 441	Mayors Office 13	26 433	485 085	-458 652
127 255	6 413 266	-6 286 031	Town Council 19	147 958	6 861 135	-6 713 177
10 193	171 464	-161 271	Municipal Manager 25	17 235	578 050	-560 814
-	836 490	-836 490	Dir Corporate Services 24	-	239 331	-239 331
-	202 704	-202 704	Dir (Municipal Managers Office) 27	-	2 322	-2 322
20 635 565	20 912 581	8 722 984	FINANCE & ADMINISTRATION	32 754 966	24 130 329	10 497 258
29 126 920	19 833 535	9 293 385	Finance	32 249 069	21 751 811	10 497 258
10 151 754	50 202	10 101 553	Assessment Rates 6	10 827 760	678 782	10 148 978
-	36 688	-36 688	Grants and Subsidies 7	-	155 081	-155 081
-	59 558	-59 558	Internal Audit 20	-	486	-486
18 975 166	19 687 087	-711 921	Financial Services 26	21 421 309	20 917 462	503 847
-	-	-	Financial Services Other	-	-	-
88	173 614	-173 526	Information Technology 175	175	283 365	-283 190
88	173 614	-173 526	IT Services 18	175	283 365	-283 190
500 557	805 433	-386 876	Other Admin 18	505 722	2 095 153	-1 091 874
-	401 995	-401 995	Publicity 187	-	1 091 874	-1 091 874
-	-	-	Appropriation Funding 29	-	73 975	-73 975
-	7 096	-7 096	Security 35	-	163 012	-163 012
508 557	496 341	12 215	Customer Care Office 33	505 722	766 292	-260 570
3 484 603	2 907 469	577 134	Stores	-	-	-
3 219 530	2 100	3 217 430	PLANNING & DEVELOPMENT	1 450 112	6 099 233	-4 649 121
51 521	1 578 182	-1 526 661	Town Estate 5	735 333	-	735 333
109 428	725 796	-616 368	IDP Unit 10	15 484	1 255 985	-1 241 501
-	-	-	Civil Buildings 12	21 175	1 462 357	-1 441 182
-	-	-	Land Administration 22	125 556	1 033 404	-907 848
-	-	-	Project Management Unit 37	521 316	496 384	24 952
104 124	601 391	-497 267	LED Unit 38	-	642 566	-642 566
755 157	1 555 137	-799 980	Dir Civil Services 23	31 247	1 207 556	-1 176 309
755 157	1 555 137	-799 980	HEALTH	160 090	1 964 669	-1 804 579
398 772	2 944 254	-2 545 482	Clinics 8/9	160 090	1 964 669	-1 804 579
9 101	663 161	-654 061	COMMUNITY & SOCIAL SERVICES	588 262	3 892 692	-3 304 430
9 101	663 161	-654 061	Libraries and archives	232 915	820 293	-587 378
122 932	1 106 150	-983 218	Library 2	232 915	820 293	-587 378
122 932	1 106 150	-983 218	Cemeteries and Crematoriums	127 780	1 517 027	-1 389 239
266 740	1 174 943	-908 203	Cemetery 1	127 780	1 517 027	-1 389 239
3 198	505 743	-502 545	Aged Care	227 559	1 555 372	-1 327 813
89 218	-	89 218	Dir Community Services 14	20 453	857 269	-836 817
160 854	857 139	-496 285	50 BOBs houses 190	62 800	-	62 800
13 470	12 082	1 408	Service Centre 191	131 161	690 456	-559 297
209 548	49 919	159 629	Pumula old age house 193	13 045	7 645	5 400
209 548	49 919	159 629	HOUSING	203 805	3 828	199 977
-	-	-	HOUSING 40	8 287	-	8 287
-	-	-	FAMILY FLATS 192	135 742	-	135 742
-	-	-	HOUSING UNIT 184	81 214	3 828	57 387
-	-	-	HOUSING UNIT 195	562	-	562
243 480	1 852 357	-1 608 877	PUBLIC SAFETY	226 677	10 913 968	-10 687 290
243 480	1 682 597	-1 439 117	Police	226 677	2 042 547	-1 815 870
243 480	1 682 597	-1 439 117	Traffic Service 30	226 677	2 042 547	-1 815 870
-	152 911	-152 911	Fire	-	225 177	-225 177
-	152 911	-152 911	Fire Brigade 3	-	225 177	-225 177
-	16 849	-16 849	Civil Defence	-	8 646 244	-8 646 244
-	16 849	-16 849	Civil Defence 4	-	8 646 244	-8 646 244
24 277	4 429 085	-4 404 808	SPORT & RECREATION	548 541	4 881 691	-4 333 150
150	3 455 055	-3 454 905	Parks 17	520 150	3 364 642	-2 844 492
24 127	974 030	-949 903	Swimming Pool 28	28 391	1 517 050	-1 488 659
-	-	-	ENVIRONMENTAL PROTECTION	-	-	-
5 332 215	3 726 113	1 606 102	WASTE MANAGEMENT	6 409 709	5 227 811	1 181 898
5 332 215	3 726 113	1 606 102	Refuse Removal 21	6 409 709	5 227 811	1 181 898
3 936 696	2 585 537	1 350 159	WASTE WATER MANAGEMENT	4 986 170	3 492 382	1 493 788
3 936 696	2 585 537	1 350 159	Sewerage 52	4 986 170	3 492 382	1 493 788
2 858 606	6 590 733	-3 732 128	ROAD TRANSPORT	7 315 242	9 630 931	-2 315 689
1 530 000	5 717 974	-4 187 974	Roads	4 680 000	8 214 456	-3 534 456
1 530 000	5 717 974	-4 187 974	Public Works-Roads 15	4 680 000	8 214 456	-3 534 456
1 328 608	872 769	455 846	Vehicle Licensing and Testing	2 635 242	1 416 475	1 218 766
1 328 608	872 769	455 846	Licences 11	2 635 242	1 416 475	1 218 766
17 923 599	7 827 083	10 096 516	WATER	17 805 831	10 061 786	7 844 045
17 907 130	7 817 833	10 089 297	Water 180	17 681 356	9 987 854	7 693 502
16 489	9 251	7 218	Water Reading 34	224 475	73 932	150 543
31 434 893	18 659 415	12 775 478	ELECTRICITY	33 389 687	20 432 658	12 957 029
31 434 893	17 625 716	13 809 178	Electricity Distribution	33 389 687	18 997 665	14 392 022
31 434 893	17 625 716	13 809 178	Electricity 170	33 389 687	18 997 665	14 392 022
-	1 033 700	-1 033 700	Street Lighting	-	1 434 993	-1 434 993
-	1 033 700	-1 033 700	Street Lighting 36	-	1 434 993	-1 434 993
-	23 426	-23 426	OTHER	-	112 189	-112 189
-	19 937	-19 937	Air Transport	-	-	-
-	19 937	-19 937	Aerodrome 31	-	-	-
-	3 489	-3 489	Other	-	112 189	-112 189
-	3 489	-3 489	Municipal Workshop 32	-	112 189	-112 189
96 413 366	81 492 121	14 921 245	Sub Total	106 130 720	109 010 009	-1 006 749
-	-	-	Other	-	-	-

APPENDIX E(1): ACTUAL REVENUE AND EXPENDITURE FOR THE YEAR ENDED AT 30 JUNE 2008

LINE	2008 ACTUAL R	2008 BUDGET R	2008 ADJUSTMENT BUDGET R	2008 TOTAL BUDGET R	2008 VARIANCE R	2008 VARIANCE %	Explanation of Significant Variances greater than 10% versus Budget
1. Rates	10 827 760	10 744 183	-	10 744 183	83 577	0.78	
1.1 Rates-penalties imposed and collection charges	51 211 946	50 004 778	-	50 004 778	1 207 070	2.41	More services income received (Expansion of services)
1.2 Grants and subsidies	34 607 022	28 785 000	6 000 000	34 785 000	(177 978)	-0.51	
1.3 External investments	1 454 276	627 263	-	627 263	827 015	131.85	More interest earned on external investments
1.4 Outstanding debtors	1 142 864	871 044	-	871 044	271 820	31.21	More interest levied on outstanding debtors (increasing of Debtors)
1.5 Facilities and equipment	295 547	501 324	-	501 324	(205 777)	-41.05	Rent of council's property not materialised
1.6 Other	213 708	541 932	-	541 932	(328 226)	-60.57	Not all traffic fines issued materialised
1.7 Permits	1 772	2 359	-	2 359	(587)	-24.87	Not all fines issued materialised
1.8 Agency services	2 623 567	1 405 271	-	1 405 271	1 218 296	86.69	More vehicles (Nails) registered which lead to more income
1.9 Contributions, donated/contributed PPE	-	465 644	-	465 644	(465 644)	-100.00	No Health subsidies on clinics received
1.10 Disposal of property, plant and equipment	739 825	5 480 000	-	5 480 000	(4 740 175)	0.00	Selling of stands (Ext 12) not materialised
1.11 Income	3 012 531	3 401 989	850 000	4 251 989	(1 239 458)	-29.15	Not all income materialised as budgeted
1.12 Revenue	105 130 720	102 830 787	6 850 000	109 680 787	-3 550 067		
2. Expenditure	8 165 923	6 483 459	100 000	6 583 459	1 582 464	24.04	Less expenditure creates less debited out to other directorates
2.1 General & Admin	24 130 329	12 975 430	-	12 975 430	11 154 899	85.97	Telephone calls, audit fees, admin costs on pre-paid elec, bank fees
2.2 Development	6 099 233	5 376 685	147 060	5 523 745	575 488	10.42	Repair and maintenance on municipal buildings
2.3 Social Services	1 964 669	1 961 476	-	1 961 476	3 193	0.16	
2.4 Safety	3 892 892	3 634 094	47 900	3 681 994	210 898	5.72	
2.5 Recreation	3 828	-	-	-	3 828	100.00	
2.6 Animal Protection	10 913 868	2 156 465	-	2 156 465	8 757 503	405.10	Wrong allocation of Asset depreciation
2.7 Environmental management	4 881 691	5 004 439	173 374	5 177 813	(296 122)	-5.72	
2.8 Other management	5 227 811	4 999 684	-	4 999 684	(228 127)	-4.37	
2.9 Transport	3 492 382	3 963 881	297 666	4 261 547	(769 165)	-18.05	
2.10 Other	9 630 931	9 987 537	-250 000	9 737 537	(106 606)	-1.08	
2.11 Other	10 024 820	10 515 283	-	10 515 283	(490 463)	-4.66	
2.12 Other	20 469 624	21 359 038	6 334 000	27 693 038	(7 223 414)	-26.08	
2.13 Other	112 189	-	-	-	112 189	100.00	
2.14 Expenditure	109 010 089	88 417 381	6 850 000	95 267 381	13 742 708		
2.15 PLUS/(DEFICIT) FOR THE YEAR	-2 879 370	14 413 406	-	14 413 406	-17 292 776		

APPENDIX E(2): ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED AT 30 JUNE 2008

DESCRIPTION	2008 Actual R	2008 Under Construction R	2008 Total R	2008 BUDGET R	2008 ADJUSTMENT BUDGET	2008 TOTAL BUDGET	2008 VARIANCE R	2008 VARIANCE %	Explanation of Significant Variances greater than 10% versus Budget
Mayor & Council	297 890	-	297 890	821 000	-	821 000	-523 110	-63.72	
Administration & Development	954 216	-	954 216	1 254 000	-	1 254 000	-299 784	-23.91	
Public Works	18 457	-	18 457	279 000	-	279 000	-279 000	-100.00	
Library & Social Services	41 147	-	41 147	190 000	-	190 000	18 457	0.00	
Refuse Removal	100 912	-	100 912	173 000	-	173 000	-148 853	-78.34	
Recreation	22 616	-	22 616	263 374	-	263 374	-72 088	-41.57	
Animal Protection	785 345	-	785 345	-	-	-	-263 374	-100.00	
Water Management	1 851 941	-	1 851 941	1 399 600	-	1 399 600	22 615	0.00	
Transport	5 560 948	-	5 560 948	2 405 000	-	2 405 000	-614 255	-43.89	
	4 465 533	-	4 465 533	4 379 235	-	4 379 235	-553 059	-23.00	
	-	-	-	9 419 000	-	9 419 000	1 181 713	100.00	
	-	-	-	-	-	-	-4 953 467	-52.59	
	14 099 005	-	14 099 005	20 583 209	-	20 583 209	-6 484 204	-31.50	

UMJINDI MUNICIPALITY: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERM OF SECTION 123 OF MFMA, 56 OF 2003

OF GRANT	NAME OF ORGAN OF STATE	QUARTERLY RECEIPTS				QUARTERLY EXPENDITURE				GRANTS AND SUBSIDIES DELAYED / WITHHELD	REASON FOR DELAY / WITHHOLDING OF FUNDS	COMPLIANCE WITH THE GRANT IN TERMS OF FRAMEWORK	REASON FOR NON-COMPLIANCE
		SEPT.	DEC.	MARCH	JUNE	SEPT.	DEC.	MARCH	JUNE				
Grant Share Capital Grant Relief Roads & Transport	NG	1 200 000	2 200 000	4 499 243	7 196 316	1 008 823	2 870 896	2 772 575	4 325 724				
	NG	367 000	367 000	-	-	367 000	-	367 000	-				
	NG	500 000	-	-	-	145 087	-	227 196	112 032				
	NG	5 857 622	4 383 217	7 322 028	-	4 356 924	4 358 520	4 617 984	4 114 875				
	DME/NER	-	1 479 000	6 600 000	-	756 618	-	-	-				
	RG	-	-	-	-	-	-	-	-				
	NG	-	-	-	-	-	-	-	-				
	NG	7 924 622	8 439 217	18 421 271	7 196 316	6 642 462	7 229 417	7 984 755	8 553 630				

STATISTICAL INFORMATION OF UMJINDI MUNICIPALITY
Statistics proposed are intended as a guideline and may change substantially
GENERAL STATISTICS

	2003/2004	2004/2005	2005/2006	2006/2007	2007/8
-Population	51049	53743	53743	60470	60475
-taxable property	77	77	77	77	77
-non taxable	27	27	27	27	27
-residential	53	53	53	53	53
-commercial	24	24	24	24	24
Valuation date	01-Feb-04	01-Feb-04	01-Feb-04	01-Feb-04	01-Feb-04
-residential	8288	8288	8288	9104	10287
-commercial	396	396	396	396	396
-basic (c per rand)	17.80c	16.80c	18.06	19.23	20.38
-Discount	45%	45%	45%	45%	45%
-Additional discount (%)	20,30,40	20,30,40	20,30,40	20,30,40	20,30,40
-Posts filled	281	282	288	291	297
-Posts vacant					23

(R mil)
(R mil)
(R mil)
(R mil)

Number of Stands

Segment rate levy

Number of employees of council

Electricity

Units (KWh) purchase

Units(KWh) sold

Units(KWh) profit on distribution

Profit on distribution, as a % of (1)

Cost per unit sold(Operating Exp/Units sold)

Income per unit sold(Operating inc/Units sold)

Surplus per unit sold

Residential (Conventional)

Residential (Pre-paid)

Commercial (Conventional)

Commercial (Pre-paid)

Water

KL purified

KL sold

KL lost in distribution

Percentage lost in distribution

Cost per unit sold(Operating exp/KL sold)

Income per unit sold(Operating inc/KL sold)

Surplus per unit sold

69210	70535	64957	65310	71566
68225	68286	68918	71380	75403
-985	-1 249	1 961	6 070	3 837
1.42%	1.77%	3.02%	9.30%	9.40%
0.298	0.295	0.346	0.247	0.246
0.320	0.331	0.444	0.379	0.493
32.00c	32.00c	32.70c	32.00c	32.00c
32.00c	32.00c	32.70c	32.00c	44.40c
35.52c	36.50c	32.00c	32.00c	32.00c
34.70c	42.849c	44.60c	44.60c	44.60c

R R

2968	3049	3194	2973	3406
2278	2407	2494	2113	2746
-690	-642	-700	-860	-660
23.25%	21.05%	21.91%	28.99%	19.37%
2.66	2.86	4.13	3.69	3.61
3.79	4.56	4.07	5.87	7.93
3.03	3.28	3.28	3.49	3.70

R R

**MJINDI MUNICIPALITY
GENERAL INFORMATION**

ADDRESS

4 MJINDI MUNICIPALITY

P.O. BOX 33

BERBERTON

30

OFFICE GENERAL AND DE VILLIERS STR

BERBERTON

30

TEL: (013) 712 8800

FAX: (013) 712 5120 (Administration)

FAX: (013) 712 8922 (CFO Offices)

WEB ADDRESS: www.umjindi.gov.za

CONTACT

POSTAL NATIONAL BANK

BERBERTON

30

COUNT NUMBER

00026441

ANCH NUMBER

152

GRADE 03

EXECUTIVE MAYOR

R.V. Lukhele

082 442 2818

(013) 712 8918

SPEAKER

S.M. Zulu

082 484 2256

MAYORAL COMMITTEE

MEMBERS

D. Ndlovu

T.R. Manyisa

COUNCILLORS

M.J. Magagula

P.C.W. Minnaar

D.J. Adam

S.H. Zunguze

M.E. Nsimbini

N.M. Mabuza

M.P. Magagula

T.G. Nkambule

M.E. Jacobs

D.T. Chibi

MUNICIPAL MANAGER

S.F. Mnisi

The degree of Bachelor of Art

University of the North

South Africa

(013) 712 8719

CHIEF FINANCIAL OFFICER

M.S. Tlali

National Higher Diploma:

Cost & Management Accounting

Peninsula Technikon

Western Cape

(013) 712 8814

EXTERNAL AUDITORS

Office of the Auditor - General

P.O.Box 2684

Nelspruit

1200

TEL: (013) 755 4735

FAX: (013) 755 4738